



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

JUNE 28, 2001

DP/CPF

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT,
(DLSC/DLA)

SUBJECT: DoDIG Report, "Waivers of Requirement for Contractors
to Provide Cost or Pricing Data," (Report No. D-2001-
061, dated February 28, 2001)

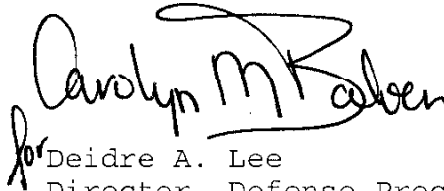
In the subject final report, the Department of Defense Inspector General (DoDIG) reviews waivers granted to the requirements of the Truth in Negotiations Act (TINA) for submission of certified cost or pricing data. In the course of completing this review, the IG also identified extensive miscoding of entries in block C11 on DD Forms 350. As you know, block C11 indicates whether an action was subject to, or exempt from, the TINA requirements, or whether a waiver to those requirements was executed. The IG found that 92.9 percent of actions coded as TINA waivers were in fact actions that were exempt from TINA requirements.

When the IG initially brought this matter to my attention, I requested the Military Departments and Defense Agencies take appropriate action to ensure that all our contracting professionals are aware of the need to accurately code DD Forms 350, particularly block C11. My letter of July 24, 2000, making that request is included in the subject report. I want to reiterate the importance of having accurate data, along with effective management controls, for our contract reporting information, particularly as it regards cost or pricing data.



In my reply to the report's recommendations, I indicated that a copy of the report would be provided to the Military Departments and Defense Agencies. Accordingly, the report is available at www.dodig.osd.mil/audit/reports/fy01/01-061.pdf.

I also agreed that I would request the Military Departments and Defense Agencies provide me with a report of actions taken to improve the accuracy of DD 350 coding for FY 2001 actions reported to Defense Contract Action Data System and the results achieved. The deadline for submittal of this report is January 1, 2002. Please provide it to my staff point of contact for this action, Mr. Richard G. Brown, OUSD(AT&L)DP/CPF. Electronic submission may be made by forwarding the report to Mr. Brown at Richard.G.Brown@osd.mil. He may also be contacted by phone at (703) 695-7197 should there be any questions regarding this matter.


for Deidre A. Lee

Director, Defense Procurement